25X1

Approved For Release 2005/06/23 : CIA-RDP79R00904A000100030054-1

~~TOP SECRET~~

25421
Cy. no. 7

CONFIDENTIAL

4 June 1952

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Inter-Agency Views on SE-29: Offensive Capabilities of the Chinese Nationalists and Probable Reactions to an Identifiable US Program of Preparing the Nationalists for Offensive Operations against the Chinese Communists

1. Except as noted below, the IAC Representatives were in agreement on the present draft.

2. Conclusion, paragraph 6 and Discussion, paragraph 21. State's footnote dissent argues that the Nationalists would be willing to make forces available in either Korea or Southeast Asia without further commitment on the part of the US other than a guarantee for the security of Taiwan. All other agency representatives, including those of O/NE, accepted the paragraphs as they appear.

3. There are three paragraphs with which O-2 might disagree at the IAC meeting:

(a) Conclusion, paragraphs 7-8 and Discussion, paragraphs 26-27. O-2 felt that these paragraphs ought not to confine themselves to a discussion of reactions to identifiable preparation for offensive action, but should discuss also the probable Communist reactions to subsequent actual Nationalist offensives. The other agency representatives agreed with O/NE that such discussion would exceed the assigned scope of the paper. As to Conclusion, paragraph 8 and Discussion, paragraph 26, there was some feeling that the estimate might legitimately have gone further than it does in estimating Communist reactions to observable preparations which the Communists regarded as presaging actual participation of US ground, naval and air forces in an invasion of mainland China and as posing a grave potential threat to the Communist position in East Asia. The apparent consensus, however, with which O/NE agrees, is that the present Conclusion, paragraph 8 and Discussion paragraph 26 (second sentence) go as far as is appropriate in this estimate, and that further analysis of Communist reactions should be reserved for other estimates in preparation, including NIE-64, Part II (Probable Soviet Bloc Courses of Action through Mid-1953) and NIE-58 (Relations Between the Chinese Communist Regime and the USSR).

JUN 4 1952 NE-TS

Approved For Release 2005/06/23 : CIA-RDP79R00904A000100030054-1

25X1

~~TOP SECRET~~ CONFIDENTIAL

TOP SECRET
Approved For Release 2005/06/23 : CIA-RDP79R00904A000100030054-1
25X1

CONFIDENTIAL

(b) Conclusion, paragraph 9 and Discussion, paragraph 29. G-2 felt that the general reaction in Southeast Asia would be more favorable than indicated. O/NE agreed with the other agency representatives that the wishful neutralism, fear of provoking Communist China, and fear of general war existing throughout Southeast Asia would, in general, preclude support for such a US-Nationalist program.

(c) Discussion, paragraph 33 (next to last sentence). G-2 alone felt that Western Europe would not support such a US-Nationalist program, even in the event of increased military operations in Korea initiated by the Communists.

SHERMAN KENT
Assistant Director
National Estimates

TOP SECRET
25X1
Approved For Release 2005/06/23 : CIA-RDP79R00904A000100030054-1
CONFIDENTIAL